

Message Text

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PAGE 01 LIMA 08838 181848Z

62

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FM AMEMBASSY LIMA

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C O N F I D E N T I A L LIMA 8838

E.O. 11652: GDS

TAGS: BBAK, PE

SUBJ: BONA FIDES OF PRIVATE U.S. INVESTOR GROUPS

REF: LIMA 8828

1. AN EMBASSY OFFICER DISCUSSED BONA FIDES OF MUICO STEWART COMPANY WITH PERUVIAN STATE DEVELOPMENT BANK (COFIDE) OFFICIALS OCTOBER 16. OFFICIALS SAID THAT WHILE NOT ACQUAINTED PERSONALLY WITH THIS OUTFIT, GIVEN THE NATURE OF THE TERMS AND PUBLICITY, THEY ARE VITRULY CERTAIN THAT IT IS ONE OF MANY FLY-BY-NIGHT FIRMS WHICH OFFER OUTLANDISHLY LARGE SUMS AT VERY LOW CONCESSIONAL RATES, BUT, WHEN PRESSED, HAVE NO SOUND FINANCIAL REFERENCES. THEY SAID THAT COFIDE AND BANCO DE LA NACION REGULARLY RECEIVE OFFERS FROM SUCH GROUPS, SEVERAL DURING THE PAST YEAR. MOST TURN OUT TO BE INTERMEDIARIES OF UNIDENTIFIED THIRD PARTIES WHOSE SOURCES THEY ARE UNWILLING TO IDENTIFY AND HAVE NEITHER DUN AND BRADSTREET REFERENCES NOR FIRST-CLASS FINANCIAL STATEMENTS FROM REPUTABLE BANKS. IN THE SPECIFIC CASE OF MUICO STEWARD COMPANY OF NEW YORK, A COFIDE OFFICIAL SAID THAT A DIFFERENT GROUP, WHOSE NAME HE DID NOT RECALL, SOME MONTHS AGO APPROACHED GOP WITH OFFERS TO PARTICIPATE IN THE PIURA IRRIGATION PROJECT AND THE LIMA GARBAGE PROJECT, AND HE BELIEVED THIS GROUP MAY HAVE BEEN BACKED BY ARAB MONEY.

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PAGE 02 LIMA 08838 181848Z

2. ON RELATED MATTER, DURING CONVERSATION WITH AMBASSADOR

ON OCTOBER 15, MINISTER OF INTERIOR, GENERAL RICHTER, REMARKED THAT SHORTLY AFTER BEING NAMED MINISTER HE HAD BEEN APPROACHED BY A GROUP WHICH OFFERED GOP ONE HUNDRED MILLION DOLLARS OF 20-YEAR MONEY AT 2-1/2 PERCENT WHICH, ON BEING PRESSED, ADMITTED MONEY WAS TO COME FROM MAFIA SOURCE. ACCORDING TO RICHTER, GROUP TOLD PERUVIANS MAFIA OFFERED THIS MONEY TO PERU INSTEAD OF U.S. OR EUROPE WHERE IT HAD ORIGINATED BECAUSE OF TAX AND OTHER LEGAL CONSIDERATIONS. MAFIA WOULD ALSO EXPECT GOP, AT LEAST TACITLY, TO TAKE MORE LENIENT STANCE WITH RESPECT TO TRADE IN COCA AND COCAINE IT MIGHT ENGAGE IT. RICHTER SAID HE HAD CATEGORICALLY REJECTED THIS OFFER, BUT SPECULATED THAT A SIMILAR OFFER MIGHT NOT BE REJECTED IN SOME OTHER COUNTRIES.

3. COMMENT: WHILE WE HAVE NO REASON TO BELIEVE THAT MUICO STEWART IS NOT IN FACT A LEGITIMATE CONCERN, THE NATURE OF ITS OFFER MAKES IT APPEAR CONCEIVABLE THAT SOME KIND OF QUESTIONABLE TRANSACTIONS MIGHT BE INVOLVED, PARTICULARLY GIVEN THE LARGE SUM AND CONCESSATIONAL RATES. WE WOULD APPRECIATE ANY VIEWS THE DEPARTMENT MIGHT HAVE ON THIS LARGER ISSUE, AS WELL AS THE BONA FIDES FOR MUICO STEWART COMPANY REQUESTED IN REFTEL.

DEAN

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